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HB 191 Captive Insurance Law Amendments

Utah Code §31A-3-304 **Effective Date May 2, 2005**

This bill eliminates the premium tax on policy or contract written by a captive insurance company and replaces it with a fee that is paid annually by a captive insurance company to obtain or renew a certificate of authority. It requires the Insurance Commissioner to set the fee in accordance with statute and after considering whether the fee amount is competitive with those in other states.

HB 195 Insurance Law Amendments

Utah Code §§31A-2-201; 31A-5-211; 31A-8-201; 31A-8-301; 31A-21-201; 31A-21-303; 31A-22-633; 31A-23a-402; 63-55-231; 31A-3-205; 31A-8-302 **Effective Date May 2, 2005**

This bill modifies various provisions related to the Insurance Code. It addresses general powers and duties of the Commissioner; requires insurers to pay taxes required by Title 59, Revenue and Taxation, to the State Tax Commission; corrects citations; increases from three to five years the amount of time that insurers must maintain certain records; addresses termination of insurance policies by insurers; addresses reporting requirements; addresses unfair marketing practices; extends the sunset date for comparison tables; repeals a provision related to transitioning prior licensees; and makes technical changes.

HB 200 Insurance Law Revisions

Effective Date May 2, 2005

This bill modifies various provisions of the Insurance Code. It corrects citations; clarifies the monetary considerations for a surplus lines insurance policy that are subject to the surplus lines

insurance tax; eliminates the requirement that providers of service contracts pay a fee when they file certain notices with the department; addresses coverages for motor vehicle insurance; addresses specific requirements for title insurance producers; addresses a title insurance producer performing the functions of escrow; addresses a title insurance producer business; addresses final closing documents; and makes technical changes.

HB 247 Credit or Refund for Tax Paid on Cigarette or Tobacco Product Destroyed or Returned to the Manufacturer

Utah Code §§59-14-303; 59-14-409 **Effective Date July 1, 2005**

This bill allows a credit or refund for a tax paid on cigarettes or tobacco products that are destroyed or returned to the manufacturer. It provides procedures and requirements for the State Tax Commission to grant the credit or refund. This bill applies to cigarettes or tobacco products removed from the shelf on or after 07/01/05.

A licensed person may apply to the Commission for a credit or refund if on or after July 1, 2005, the following are removed from retail sale or from storage:

1. A cigarette; or
2. A tobacco product.

Before a cigarette or tobacco product is removed from retail sale or storage, a licensed person remits a tax to the Commission on the cigarette or tobacco products. The licensed person verifies to the Commission that the cigarette or tobacco product has been returned to the manufacturer or has been destroyed. The amount of the credit or refund for a cigarette or tobacco product removed from retail sale or from storage is equal to the amount of tax the licensed person paid on the cigarette or tobacco product. The Commission shall grant a credit or refund if it determines that a licensed person meets the requirements.

If the Commission makes a credit or refund within a 90-day period after the day on which a licensed person submits an application to the Commission for the credit or refund, interest may not be added to the amount of the credit or refund.

If the Commission makes a credit or refund more than 90 days after the day on which a licensed person submits an application to the Commission for the credit or refund, interest shall be added to the amount of the credit or refund.

SB 24 Waste Amendments

Utah Code §§19-3-103.7; 19-3-104; 19-3-105; 19-3-106; 19-3-106.2; 19-6-113; 19-6-118; 19-6-118.5; 19-6-119; 59-24-103.5; 19-1-307; 19-3-206; 19-6-117.5 **Effective Date February 25, 2005**

This bill imposes gross receipts taxes on mixed waste disposal received from governmental entity or agent contracts entered into, modified, renewed, or extended on or after 04/30/05.

SB 129 Brine Shrimp Royalty Act Amendments

Utah Code §§59-23-3; 59-23-4; 59-23-5 **Effective Date March 1, 2005**

This bill, beginning on February 1, 2004, and ending on January 31, 2006, imposes for each tax year a brine shrimp royalty of the lesser of: 3.75 cents multiplied by the total pound of unprocessed brine shrimp eggs that are harvested in the state during the tax year, or \$550,000. Beginning on February 1, 2006, the bill imposes for each tax year a brine shrimp royalty of 3.75 cents multiplied by the total pounds of unprocessed brine shrimp eggs that are harvested in the state during the tax year.

SB 159 Assessment Offset for Donations Promoting Occupational Health and Safety

Utah Code §§34A-2-202; 59-9-102; 63-55-234; 63-55-259; 34A-2-202.5; 59-9-102.5 **Effective Date January 1, 2005**

This bill provides for an offset against an assessment charged a self-insured employer in an amount equal to the lesser of the total qualified donations to an occupational health and safety center or .10% of the employers total calculated premiums. It provides for an offset against a premium assessment charged a workers' compensation insurer in an amount equal to the lesser of the total qualified donations to an occupational health and safety center. The bill also provides for allocation of the offset or .10% of the insurer's total workers' compensation premium income.

SB 206 Nonparticipating Tobacco Manufacturer Amendments

Utah Code §§59-1-403; 59-14-211; 59-14-213; 59-14-214; 59-14-601; 59-14-602; 59-14-603; 59-14-604; 59-14-605; 59-14-606; 59-14-607; 59-14-608; 59-14-609; 59-14-610; 59-14-611; 59-14-408 **Effective Date January 1, 2005**

This bill creates a certification requirement for participating and nonparticipating tobacco product manufacturers. It requires the Tax Commission to create and maintain a directory of manufacturers in compliance with the certification requirements and prohibits stamping agents from applying stamps to products not listed as in compliance on the commission's directory. This bill requires nonresident or foreign nonparticipating manufacturers to appoint an "agent" for service of process in the state and requires stamping agents in the state to report, by "brand family," on a quarterly basis, the total number of cigarettes for which the stamper affixed stamps.

A "brand family" means all styles of cigarettes sold under the same trademark and differentiated from one another by means of additional modifiers or descriptors, including:

1. Menthol;
2. Lights;
3. Kings; and
4. 100's.

A "brand family" includes any brand name, alone or in conjunction with any other word, trademark, logo, symbol, motto, selling message, recognizable pattern of colors, or any other indicia of product identification identical or similar to, or identifiable with, a previously known brand of cigarettes.

A stamping agent shall submit the following information to the Commission not later than 30 days after the end of each calendar quarter, or more frequently if required by the Commission:

1. A list by "brand family" of the total number of cigarettes for which the stamping agent affixed stamps during the reporting period;
2. The equivalent stick count for roll your own tobacco, for which the stamping agent paid the tobacco product tax during the reporting period;
3. The equivalent total number of cigarettes or stick count for which the stamping agent paid taxes for the reporting period; and
4. Any other information the Commission determines is necessary to enforce this part.

The stamping agent shall maintain, and make available to the Commission, all invoices and

documentation of sales of all nonparticipating manufacturer cigarettes for a period of five years.